

New Europe College
Ștefan Odobleja Program
Yearbook 2014-2015



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This volume was published within the Human Resources Program – PN II, implemented with the support of the Ministry of National Education - The Executive Agency for Higher Education and Research Funding (MEN – UEFISCDI), project code PN-II– RU–BSO-2014

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ISSN 1584-0298

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CLASSICAL LIBERALISM IN ROMANIA: THE CASE OF EMANUEL NEUMAN¹

Abstract

In this paper we try to rescue from oblivion a man and his work. At the same time we try to uncover traces of genuine classical liberal thought on Romanian soil. Emanuel Neuman – “Manole” from Nicolae Steinhardt’s *Journal of Happiness* – wrote a PhD thesis in constitutional law entitled *The Limits of State Power* which he defended (but did not properly publish) in 1937. We will try to shed light on the importance of this work and the ideas contained therein and also present some biographical details of this very discreet man who immigrated to Brussels in 1960 and lived there until his death in 1995.

Keywords: classical liberalism, Emanuel Neuman, nature of the state, limits of state power

1. Introduction: The Missing Tradition

One of the things which can probably be safely – and sadly, in our opinion – said about the history of modern Romania is that it knew neither a coherent and consistent body of classical liberal ideas nor a genuinely classical liberal political and economic program. That liberalism acquired, in the Romanian context (and more generally in the eastern European and Russian context), the distorted meaning of “progressivism” by the top-down hand of the state if necessary (and somehow it seems it has always and by almost all been considered necessary) is often acknowledged.²

In our opinion, to drive home this point provides a better understanding of the relative ease with which the orthodox Stalinist brand of socialism has been implemented in Romania after 1945 and its deep entrenchment. At the same time, it can be seen as part of the explanation for a certain predisposition on the Romanian soil for various brands of authoritarianism.

If we were to venture a short rendition of the essence of the classical liberal program, it would be the idea of a fundamentally limited (at least; more often the idea of a rather *small* and limited state; also the idea of a *minimal* state is put forward) sphere of legitimate state or governmental action.³ Together with this, as the other side of the coin, comes the delineation of the inviolable private sphere of the subjects of the state, a “separation” between the state and the various components of this private sphere. Another way of putting the same point would be the following: clearly distinguishing and delineating the proper (necessarily limited) sphere of government action is part and parcel of both properly *understanding* the state (normal and/or abnormal) and, as a consequence, of *proper political action* (both while in power and in opposition; or outside the narrow political sphere, for that matter, within what has been called civil society). Exploiting this point to interpret Romanian history it could be said that not having had a genuine classical liberal tradition, Romanians – intellectuals, politicians, peasants, priests and members of the clergy, monks, merchants, members of ethnic minorities, etc. – have never properly come to terms with the political instrument of the state. They have never quite made sense of it, of its nature and role. And, as might unsurprisingly be expected, a poorly understood instrument is bound to be misused.

In what follows we will argue that there is at least one instance of unambiguous classical liberalism, albeit almost unknown. And that is the case of Emanuel Neuman - “Manole” – the true friend and mentor of Nicolae Steinhardt. He wrote a PhD thesis in constitutional law, defended in 1937, and entitled *The Limits of State Power*. After a first biographical part, we will approach the mentioned work in order to analyze and bring to light the classical liberal character of the ideas discussed within and, at the same time, their perennial relevance. Then we will look at the other works Neuman has written in order to see whether his option was a consistent one. After placing him in the larger context of the late French liberal school, we will end with some conclusions and with two appendixes: one consisting in a tentative Neuman bibliography and the other with a few photos.

2. The Life and Times of Emanuel Neuman

The life of Emanuel Neuman was lived – in part due to character, and in part to external circumstances – under the sign of discreetness. Not only was he a young Jew reaching maturity years in the fateful decade of the thirties in Romania, marked by consolidated antisemitism in a general context of increase in state power,⁴ or a more or less obscure emigre in Belgium after 1960, but he was also a classical liberal in a time when any other possible doctrine might have seemed more respectable. No wonder, then, that Neuman is not – but for the anecdotal fame that Steinhardt's *Journal of Happiness* managed to secure for him as "Manole" – among the prominent personalities of Romanian culture (or any other culture for that matter).

Born on the 25th of July 1911 in Oltenita, Romania, Emanuel – actually the name seems to be Emanoil in the official papers and documents – Neuman died in Brussels in June 28, 1995⁵ as a Belgian citizen (more or less completely assimilated). He was the elder son of Joseph Neuman (1881-1923, salesman) and Sofia Moscovici (1887-1970, housewife), brother of Maur-Mihail Neuman (1914-2008; medical doctor and author of important works in the field) and Natalia Basilia Neuman (1923-?; engineer). Among the few elements of information left concerning his Romanian period we can find the following: his family moved to Bucharest in 1916, where they lived in the Ion Maiorescu Street; he studied political economy (B.A. level) at the Academy of High Commercial Studies (the so-called "Consular Section", forerunner of the present Faculty of International Business and Economics) and law at the University of Bucharest (PhD level); he completed military service in 1933; in February 1941 he married Gertrude Steinhardt (1916-2001), B.A. in letters and philosophy at the University of Bucharest, cousin of Nicolae Steinhardt, (Neuman's residence has changed in this context to Calea Mosilor, 313, for the period 1940-1960); he worked as a lawyer by the Bucharest Appeal Court (approx. 1933-1948), and later – and probably having to do with the entrenching of the communist regime on the Romanian soil and a degradation of Neuman's personal and professional situation – as an economist at some enterprise (approx. 1948-1960).

The files available in the Belgian archives suggest that the Neumans had attempted for quite a while – around nine years; roughly all the decade of the 1950s – to leave Romania. Thinking that they have a good chance in 1958,⁶ they initiated the process of "traveling to Belgium" (and, therefore,

of obtaining the necessary permits) through Aristide Steinhardt (1920-?), brother of Gertrude, who had already successfully immigrated to Brussels and received UN refugee status. The latter was an accomplished engineer, technical manager with Tedesco, single and wealthy enough to support his mother and a few other relatives (a relevant aspect in the eyes of the Belgian authorities which seemed – understandably – sensitive to the issue of having immigrants fall on their account). Nevertheless, the process is completed only in September 3, 1960, when the Neumans finally reach Belgium by plane and move in for a while with Aristide Steinhardt in 223, avenue Tervueren, Woluwe St. Pierre, one of the communes which Brussels comprises.

By the time they got to Brussels, Emanuel Neuman was 49 years of age and his wife Gertrude 44. Even though at the beginning the idea was to leave further for the United States of America, it seems that gradually (but swiftly enough) the Neumans decided to stay in Belgium for what must have been basically a restart of their life.

Having at long last escaped communist Romania and – judging by what happened to his friend Nicolae Steinhardt and others – most probably some time in prison (if not worse), Neuman seems to have had a strong feeling of insecurity. Up until his naturalization as a Belgian citizen in 1966 the specter of deportation always stayed with him.⁷ This is another factor which could explain – apart from character and ideological profile – his constant care to keep a rather low public profile.

Thus, as soon as the idea that Belgium and Brussels might become the new home seeped in, Neuman applied (late 1960) for UN refugee status which he obtained (early 1961). As for making a living, the period from 1960 to 1962 is marked in his naturalization file as having consisted in various employments and collaborations. Together with his wife he approached – and cooperated with – the *Istitut de Sociologie Solvay*, most specifically the *Centre d'Etudes des Pays de L'Est*. He also became a member of *Association Belge de Documentation*. By 1962 we find him working as legal adviser (“conseiller juridique”) for Anc. Etablissements Martin Frères, based in V. Besme Lambermont Street, at Verviers (working permit no. 901.527, valid by 31.08.1962).⁸

By far the most important was his encounter with the International Institute for Administrative Sciences⁹ (IIAS) which seems to have occurred sometimes in 1963 or 1964. Neuman worked there for the remainder of his active life and even after retirement. He joined as a librarian (or an even lower position, it seems, for the first couple of years) and was promoted

as researcher (“maître de recherche”) in 1972. In 1976 the moment of retirement comes, at 65, but the archives of the institute retain a sequence of (accepted/approved) requests by Neuman (from 1976 until 1980) to continue his activity on a yearly basis. After 1980 traces of him are found only now and then in connection with various events organized by the (somewhat reformed) institute. His main activity as an employee of IIAS was to acquire books for the institute library, but much more than that to review books – quite a lot of them – in very short reviews which constituted an important section (*Bibliography*) of the main publication, namely the *Revue Internationale des Sciences Administratives* (*International Review of Administrative Studies*).

After his collaboration with the IIAS was discontinued, we find him, throughout the 1980s and the beginning of the 1990s, writing book reviews in the Canadian journal *Etudes internationales*. Although short pieces, these reviews are as many instances in which the penetrating analyst from the pages of his 1937 PhD thesis resurfaces.

Neuman died in 1995. He and Gertrude had no children, but they seem to have had a very close relationship with the son of Maur-Mihail Neuman, Victor Neuman (n. 1948; the “favorite nephew”¹⁰) who is most probably the only relative still alive (again, most probably in Paris, France). His wife outlived him. She died in 2001 and their last address was 22 Rue Forrestiere, Ixelles, Brussels.

As for the works of Neuman, an attempt at a bibliography is provided below in the first appendix. Unfortunately no other major works – of the size and importance of his PhD – are known to exist (yet?). Whether he had any “drawer literature” or kept a journal (or has written any memoirs) is for future research to discover.

3. The PhD Thesis: *The Limits of State Power*

Even if nothing else remains after Neuman but his PhD thesis, it should still be enough to secure for him a place in Romanian culture. Apart from the intrinsic qualities of his writing (learned, cultured, witty, penchant), the ideas discussed in the work (and the author’s judgements, stances and answers) are as relevant and important today as they were when written. In present day Romania, questions such as: what type of a society and state do we want? Is the European Union a state, and if not, should it become one? If so, of what type? Is the financial crisis (and its more dramatic episodes

such as the Greek one) a failure of unfettered markets and capitalism, or of modern over-ambitious and over-extended states? Are taxes too high or too low? Is fiscal fraud a symptom of perverted citizenry or of perverted political authorities? Should the parliament be with one or two chambers? etc. would most certainly be more adequately addressed with the help of insights and discussion contained in Neuman's thesis. And this in spite of the fact that the text was written almost eighty years ago. Its freshness and relevance are as many arguments for its value.

Neuman's thesis has not been properly published as a book. Only a handful of copies are in existence, in the Central University Library and Law Faculty Library in Bucharest – probably the ones he had to prepare for the defense. Thus, so far, no edition exists and is long overdue, in our opinion. It can, nevertheless be included in a group of PhD theses, along with Steinhardt's *Classical Principles and the New Tendencies of Constitutional Law. A Critique of the Works of Leon Duguit* (defended 1936) and at least one other (F. Dârlea, *The Evolution of Individualism*, 1939). Together they might form a small Romanian classical liberal circle or even school under the auspices of Prof. Mircea Djuvara who himself, in works such as *Rational Law, Sources and Positive Law* (1934) presents ideas with a classical liberal flavor (at least).

Neuman's understanding of the nature of the state, its necessary limits, individual rights and individual freedom is unparalleled, in my opinion, in Romanian intellectual history. The present chapter aims at a presentation and commentary of some of the main ideas of this work. In what follows, a series of topics – suggested by the book – will be presented and discussed.

The trivium structure of the book

The book is structured in three parts: the first is entitled *Theories regarding the limitation of state powers* (and comprises chapters such as *Natural rights; The liberal doctrines; The reaction of collectivist and absolutist doctrines*); the second, *The limits of state power* (and comprises essential chapters such as *The state concept and the modern state; The nature of the state; The nature of things; An enumeration of the essential limits of the state: historical, international, social, natural, religious, moral, juridical, psychological, cultural*; last but not least, the third part, *Ancient statism/etatism and modern statism/etatism. The decadence of the state* discusses equally interesting topics (*The democratic nature of modern statism/etatism; Political democracy and social democracy; The decadence*

of the Roman Empire and Diocletian's legislation; Administrative hypertrophy and police-ism).

On closer inspection, the book has a *trivium* like structure. The classical educational instrument of the *trivium* consists in a three-stage process, beginning with *grammar* (an accumulation of relevant knowledge and information with an eye to quantity and build up), continuing with *logic* or *dialectic* (stage at which the interconnections of the body of knowledge and its systematic appraisal become important) and *rhetoric* (where, after having amassed knowledge and having logically and systematically mastered it, one gets to make it relevant by “saying it the right way” and applying it to current or important problems).¹¹ The main idea behind this structure is that it follows (and enhances) that natural learning process in which children start at younger ages with memorizing stuff, then proceed to make the logical connections and understand the content they previously memorized to end with the application or the understood relevance (which come together with the ability to properly present and contextualize the knowledge). More than that, for every other age and for every problem one can think of, the learning process seems to follow the same pattern (finding things out, making sense of them and contextualizing them).

Thus, Neuman's thesis has the three parts in this fashion. The first part comprises a “grammar” of the limits of state power – a stock taking of a number of important theories regarding the limitation of state power; the second aims at synthesizing a more unified body of theory concerning the same topic (the “logic” of the limitations of the state); and the third (with which the “Introduction” must be counted) aims at harvesting the fruits of the first two parts by shedding light on something from the past (a known story retold, or re-contextualized) – Diocletian's reforms – and some contemporary developments – modern democratic statism, social democracy as a degenerative evolution and the administrative hypertrophy and police state character prevalent at the time of writing.¹²

Hypertrophy of the State

The theme with which Neuman opens is the hypertrophy of the state in his times:

With regard to the hypertrophy of the state, everybody admits it, only some baptize it with the fancy name of social progress, while others, looking less at labels and intentions and more at results, see in it a new absolutism. The

state has an enormous amount of functions/tasks and it attributes their less and less adequate fulfilment neither to the impossibility of undertaking so many things at once, nor to its fundamental incapacity in some areas where it improperly and unpreparedly intervened without any calling, but to any number of other causes: daily events, the economic crisis, the malevolence of citizens, bad weather, insufficient budget, insufficient laws, too many or too few schools, too thick school syllabuses that exhaust the mind of future public officials (or, on the contrary, to the insufficient instruction of new generations) (Neuman, 1937, p. 12).¹³

Or again:

[t]hat this unmeasured growth of state attributions is a danger to everyone, the State itself included, is an undisputable thing. The greatest authority in administrative law – due to the fact that he was not only someone with a profound knowledge of the inner workings of state organs but a legal scholar without theoretical servitudes/biases and tributary to no political partisanship – professor Berthélemy wrote on the “excessive growth of collective action” in the following manner: “Interventionism did not know to restrain itself. The State, normally a supplier of justice and security, has also become commissioner, banker, ship leaser, ship builder, librarian, collector, engraver, teacher, show-business enterpriser, mineral water salesman, medical doctor, philanthropist, typographer, tapster, forester, husbandman, cigarette producer, matches salesman, insurance broker, journalist, bookmaker, etc... When the administration does not itself work, it controls and regulates the actions of private agents. Administration is involved in everything” (p. 13).

And, continuing the same idea:

Taking upon himself all those attributions/tasks of which professor Barthélemy spoke and the enumeration of which seem like a cheap sidewalk parade (ro: *etalaj de bâlcui*) even if far from complete, the State fails twice by messing up his own activity and hindering everyone else (p. 15).

In this respect Neuman is part of (and among the forerunners) a line of thought which observes/notices the great expansion of states throughout the twentieth century. Usually, such a trend is evidenced through the growth of public expenditure as a proportion of gross domestic product (which as such underestimates the size of the state as it does not account

for its regulatory presence). While at the beginning of the twentieth century, the size of the public sector (as total public expenses as a proportion of GDP) was well below 15% (in some instances as low as 5%), today the same indicator is well above 40% (in many case well above 50%).¹⁴ At the time of preparing the thesis under discussion he would have been witnessing the trends set in motion by the Great Depression of 1929-1933 and the buildup for the Second World War.

The solution to this hypertrophy is, unsurprisingly, the reversal of the trend. Much as in the traditional morals advocated by the Church Fathers where a certain passion or vice can be cured by the cultivation of the opposite virtue: “[t]he state finding himself in trouble for taking upon himself to do things which are none of its business, the mess will be remedied by the retreat of the state from those things, which should be left to free social cooperation/action” (p. 20).

In this context of the hyper expanded state and the need for its restraint and diminishing, Neuman also speaks about the “traditional doctrine” of state action (concerning which he notices that while – unfortunately, it seems, in his opinion – not entirely liberal, it was powerfully impregnated by liberal ideas). The content of it, briefly stated is: “The traditional doctrine proposed that the State remained within the confines of its aptitudes and there to allow no opposition and no interference” (p. 15). In an outburst of irony which becomes at times a trademark of our author, he says concerning this “traditional doctrine” that:

It is true that the predilection of State organs being neither sports, nor statistics, nor abuse, they [the “traditional” state organs] did not pretend to know, to register and to control how many hen eggs have been laid in nests overnight, what sports teams have prevailed, how many hours every citizen works, how much money in his pocket, and if he spends it why he spends it and if he does not spend it why he does not spend it (p. 16).¹⁵

Natural Rights

Another topic is natural rights. More specifically natural rights seen as a fundamental limitation of the (legitimate) powers of the state:

The main limitation of state power is constituted by the existence of individual natural rights. This notion has its origins in the natural rights theory, in speculations on the social contract and, finally, in deep insights

into, and knowledge of, the human person. ...Indeed, the source of law is in the human person, and the latter owes its contour to individual rights, which are thus natural to it as without them the human person disappears. Political societies have no independent existence of their own and thus no rights; the individual, free and real being, is the source of rights and to look for the notion of law and rights outside the human person or to try to picture it as existing without rights, is at least an irreparable mistake (p.45).

Although natural rights might seem as a more or less scholastic topic inherited from intellectually more primitive times, the idea of law as a nondiscretionary and non-arbitrary field of study and of law based social and political action cannot be dispensed with. The very possibility of systematic rational pursuit of the idea of ordered, civilized (conflict free) society implies the possibility of discerning among competing views on the inter-human relations and, therefore, on laws and legislation (even if not only laws, but much more). This discerning must operate with the idea of criticizing existing legislation (positive legislation), this in its turn implying the possibility to discriminate between good and bad laws. Thus, the idea of a standard, above positive legislation, based on which to judge it, opens up the discussion on natural law. The latter becomes such a standard to which positive legislation must conform.¹⁶

Neuman has also an interesting epistemological stance at this point. Usually the idea of natural rights is met with skepticism as it implies a fraudulent passing from an "is" (nature) to an "ought" (rights), thus being oxymoronic. For our author, recognizing human nature as necessarily interested in – and judging matters in terms of – what should be is a positive (unavoidable) truth. Thus, the analysis of the proper social order based on the idea of natural rights does not pass from facts to values, but has values (value judgments or normative ones) among premises from the very beginning (implicitly or explicitly acknowledging the possibility of rational discourse concerning value judgments and the normative). Neuman approaches this issue in the chapter entitled *On the definition of the state* the main thesis of which is that the state is a legal concept. Debating a stance taken by Gaston Jèze, he says:

When Mr. Gaston Jèze states in the foreword to *General Principles of Administrative Law* that in the study of positive law we must leave aside considerations of ideal justice, he transforms the legal study of free wills and rational analysis as successfully built by Roman classicism and inherited ever since into a formalism dry, amoral and dangerous. "The law of a

country, writes Mr. Jèze, is the ensemble of rules – whether we consider them good or bad, useful or not – which, at a certain moment, in a certain/given country, are actually applied/implemented/enforced by practitioners and courts. Any theoretical exposition which moves away from this definition is, in my opinion, very vulnerable: it is a work of imagination, a novel written by a jurist, the worst of the boring kind, a monument of hubris and guaranteed uselessness... There is no such thing as absolute justice; we must therefore avoid speaking of it as if it were something that could be known or as something already known". [...] Precisely the contrary is true. Absolute justice exists and it exists for a very powerful reason, which is because we men/human beings believe in it. And that is enough. On the other hand we cannot see how Mr. Jèze could prove the assertion that absolute justice does not exist. That is why he does not even attempt such a thing, but only asserts it – it is true, with an impressive certainty. Objects of scientific knowledge are of two categories: there are some, creations of our spirit, their knowledge consisting in the profound analysis/scrutiny of the human soul. Others belong to the external, concrete, world. Nothing is more dangerous than to confound them, to search for ideal categories in the positive world, while seeking the concrete/specific in our simple beliefs (pp. 26-27).

Two things must be said about the above. First, that Neuman acknowledges the need for a methodological dualism in science, separating the study of man (or, more precisely, of what is specifically human) from the study of nature.¹⁷ And second, although no less important, the idea of justice in a strong sense ("absolute justice") as a presupposition of meaningfully ordered human societies. This is the charitable interpretation we propose for the idea that absolute justice exists "because we humans believe in it". Otherwise we would be forced to adopt the interpretation that Neuman simply sides with the possibility of whimsically and arbitrarily stipulating the existence of absolute justice. Apart from the fact that the whole work is permeated by the contrary spirit, there are more specific grounds for dismissing this facile interpretation. A few lines before the above quoted one, he says of the state the following: "A political abstraction, connected to a juridical idea and maintained by it, [the State] takes care/manages the law as the embodiment of a superior idea and not as an ensemble of mere technical rules which come in handy for anything. With a scalpel one can undertake surgery or commit murder" (p. 26). Thus, for him the idea of justice as a "superior idea" makes intelligible the distinction between "surgery" (rendering justice and maintaining a just, ordered and peaceful society; in one word, civilization)

and “murder” (an unjust, chaotic, permanently conflictual state of affairs; in one word, barbarism).

Negative versus Positive Rights

Neuman also tackles the negative versus positive rights issue: (approvingly commenting on an idea of Esmein) “It is Esmein again who classifies individual rights into civil equality and individual liberty and finds a common feature for all: they limit the rights of the state but impose no positive obligations.¹⁸ That is why, the so-called rights to existence, to education, to work, do not have the character of rights and if they are nevertheless called so, it is a simple demagogical expedient” (p. 46). Of interest is also his view on equality (named here “civil”) which is seen as having the sole role to limit the state in his arbitrary splitting of citizens in classes or castes (e.g. freemen and slaves).

The essence of this discussion is the idea that a body of rights must be coherent in itself and concord must exist between the several rights considered together. Thus, the combination of negative and positive rights do not form such a coherent whole as the enforcement of the so-called positive rights (to a minimum guaranteed income, for instance) necessarily implies the denial of other rights (from the “negative” bundle, such as the right to the inviolability of one’s private property).¹⁹

The topic is, in a sense condemned to have perennial relevance. In contemporary debates concerning intellectual property the same problem arises. The enforcement of intellectual property rights (in the form of patents, for instance) must necessarily prevent certain arrangements the property in the traditional sense (non-intellectual; one might say in this context the right over the “physical” integrity of one’s property). For example, with one’s own resources and one’s own mind, one could not build a car, a house or a computer similar to one already patented by another.²⁰

The Minimal State

One of the most important features of this work which sets Neuman apart in Romanian culture is the exposition of the classical liberal doctrine of the minimal state (or the “night watchman” state). This he does by doing two things: first, he mentions the specific (limited) role of the state;

and then insists on the perversion of the state institution when it exceeds its proper role.

Pertaining to the specific role of the state: "It is only the state which can be a keeper of order, a provider of justice and a defender of external independence which is collective and internal liberty which can only be individual" (p. 117). Or, approvingly commenting on Leroy-Beaulieu: "By origin, nature and object/function, the state is but a military, diplomatic and judicial apparatus. By getting involved in tasks for which it was not made, it loses its cohesion and authority, falling swiftly in the power of adventurers and fanatics" (pp. 122-123).

To make the matters more complicated, there is no explicit statement throughout the work that its author is a supporter of the doctrine of the minimal state. Nevertheless, adding to the two elements mentioned above, Neuman repeatedly comments approvingly on views which consider the apparatus of the modern state as first and foremost an instrument for justice. For instance:

[b]ut the answer of constitutional law and constitutional history, the disciplines which encompass the technical aspects of state problems, is that, as a technical instrument, the State has a limited capacity. For example, one of his missions is to provide justice. By his nature it is called to do this. Moreover, it has the very possibility to accomplish such a thing. A well-organized justice is something to which any state can aspire (p. 20).

Or in another place:

What the individual cannot but exceptionally accomplish, is a matter of course for the state. What the individual is able to accomplish in other directions, the State is not. And when contrary to its nature, it undertakes such activities, either by depriving the individual of his rights, or by not respecting its own positive obligations, *such as the one to administer justice under all its forms, in all its stages and against anyone, itself included*, the state stumbles and the mismatch shatters it to its foundations (p.133; emphasis ours).²¹

He rarely mentions other functions as pertaining to the proper sphere of state action.

At the same time, when one counts the number of implicit or explicit exclusions from the proper sphere of state action and judges what remains

inside, again a picture of the minimal state seems to be the only one to qualify. Thus, one after another, most of the domains of social life are considered to be outside of state competence: the economy and economic activity in general²² (p. 20; p. 123; p. 138; p. 139; p. 143); family (p. 127, p. 166); education (p. 112; p. 173); culture (pp. 172); religion (p. 127; pp. 158-163); charity, welfare (p. 127; pp. 147-148). Any of these are sufficient to grant Neuman a role among the harbingers of classical liberalism on Romanian soil (even today).

The Nature of the State

Undoubtedly classical liberal, arguably a proponent of the minimal state, Neuman is, nevertheless, not a political anarchist. Somewhat paradoxically, he is a very staunch defender of the state when it functions in its proper limits, equating it to nothing less than civilization itself. In his opinion “[l]iberalism has created/provided the most solid ground of political authority... Politics is but the means to rightfully distribute to liberty and authority each one its own” (p. 70). Or, in another place: “The State is not, as Faguet believed, a simple necessary evil, it is a great creation of the human mind, a political instrument of the greatest importance” (p. 88). And – to give a final example:

It is not true, says [Paul] Leroy-Beaulieu, that the State must try to make himself useless and to prepare its resignation as some philosopher maintained (Jules Simon). The State must only refrain from vainly dissipating its activity, getting busy with trifles, which is altogether another thing. The reasons for which the state must not prepare its resignation are two: [first] the State, far from being an oppressor, a necessary evil or something alike, is a positive good. Then the State is a political instrument of unparalleled value because it cannot be replaced, as there is no other political setting/settlement/institution which could provide the same services it does. Hence the great value and role of the State. It is only it that can guarantee life in common in the best conditions, and due to this its role acquires the character of an imperative necessity; the State must fulfill and subordinate everything – not to its purposes/objectives which do not exist and can be only a simple metaphor for the tyranny of those who govern – but to its role/function, which is specifically and exclusively his. It is only the state which can be a keeper of order, a provider of justice and a defender of external independence which is collective and internal liberty which can only be individual. The desire to dismantle the State means the desire to

give up order, security, defense against invasions, justice and all rights. There are but two known forms of social life: the one is that provided by the State; the other, anarchy, can embrace the feudal or any other form (pp. 117-118).

In Neuman's view the State is a modern instrument which appears in history only in civilized epochs (Ancient Rome or modern, post feudal, Western Europe). It is a positive good and not a necessary evil. Its functions – which we have suggested that seem to be those of a minimal state – are indispensable for civilization and cannot be provided by means of another political/societal framework.²³ While it should not exceed its proper limits, the state must act responsibly – and that also means with authority, resolution and utmost power – inside its sphere, otherwise it fails its role and barbarians (from “outside” or from “inside” the gates take over).²⁴

An interesting argument brought forward by Neuman is that of the superiority of the territorial state as opposed to other possible forms of state, specifically the corporatist (or professional) state. The premise of the territorial state is that a stake in the political apparatus have, on an equal footing, all members of a certain territory (as simply inhabitants of that territory). That of the corporate version of states is that a say, a voice, in the state apparatus belongs to members of various professions (as members of those professions). For Neuman the second version of the state – which became very fashionable as an idea in the interwar period²⁵ – was nothing more than the re-iteration of the mercantilist state, spawn – under monarchical rule – by the interplay of guilds (seen as professional associations). Based on the economic insight that members of a territory taken as such together will most probably have in common the simple fact of being consumers, our author considers that – as consumers – they will (as territorial citizens of a territorial state) promote this general interest of consumers.²⁶ While if one adopts the perspective of the professions (or the corporatist; or fascist; or mercantilist one) a factional political picture arises. As producers, men do not have the same interests, but various divergent ones. Thus, such a state will be driven by the factionalist “moral of the producer” spawning constant conflict and maneuvering at the political level in search of rents, monopolies, privileges, subsidies, protective tariffs and the like. Hence the superiority of the simple territorial state over the corporatist state.

We end this point on the nature of the state with an insight of Neuman – which is also an insight of all good classical liberals – which is most often

forgotten or taken too lightly. Namely, that the state is force. The specific difference of the state is the legitimized use of force.²⁷ Understanding that “the state is a force, not an intelligence” (which, of course, could be morphed into analogous adages such as “the state is a force, not a benevolence” or “the state is a force not an intention” or a “sentiment”) should make one pause when invoking state action in various fields. And this because invoking state action – in education, in trade, in research, in culture, in health, in family matters, in Church matters, etc. – means invoking the use of force and the implicit belief that adding force into those fields significantly and relevantly improves them. This should be a sobering thought, to say the least, as interventionists *ipso facto* become glorifiers of force.

Religion and State

One of the most interesting topics discussed in Neuman’s thesis is the relation between religion and the state. In synthesis, his take on this issue is that the separation of Church and State (while necessary and proper) does not mean that the religious sphere is unimportant or irrelevant (or that it must remain a petty private affair much as stamp collection). On the contrary, the way he puts it, religion and church as human and social phenomena and institutions are among non-state prerequisites of successful state action. Moreover, they contribute a great deal to keeping the State in its proper limits (the other side of the coin being that if they are weakened, the state invades their sphere creating the dangerous pseudo-religion of “statolatry” or state worship or, at the least, for want of serious and traditional religions, various surrogates – such as pantheism or fetishism - flourish).

Thus, he says:

[t]he most powerful limits imposed on the State are the religious ones. And on the modern State more than any other, as it was born from the separation of religion and politics and because with its democratic structure, the democratic religion par excellence, pantheism, swiftly/quickly degenerates into fetishism. The religious evolution of the modern State is very curious. A quite old heresy, Statolatry/Stateworship, has gotten hold of it. Leroy Beaulieu reckoned in 1889 that the State has remained the only god of the modern world (pp. 158-159).

An interesting observation that he makes, in connection with the superiority of religion (especially of the traditional, revelation based types) to various modern surrogates thereof is the comparison between prayer book reading and newspaper reading. While prayers had a more or less fixed structure, permeated by ideals that would constantly work on man's soul in the direction of uplifting him morally, the newspaper – at the beginning an instrument of cultural and human uplifting – let himself be corrupted by its readers, perverting itself and then contributing to the further perversion of the public.²⁸

Thus, for someone like Neuman, the separation of Church and State does not at all imply an atheist state (or even a religiously neutral state). It does not even imply the lack of importance of religious or spiritual matters; quite the contrary. Of great importance, in this respect, is his observation that if – with the separation of church and state – religion is evacuated out the front door of civilization, it will return through the backdoor, only in perverted forms of pantheism or, worse, fetishist or totemic spirituality.²⁹ Either the state institution is more and more seen as a magic wand by means of which all evils can be countered and all problems solved – which is already a form of idolatry (the “statolatry” of Paul Leroy- Beaulieu). Or the religious sentiments and energies get to express themselves through whatever ad-hoc, fashionable channels they find available.³⁰

Miscellaneous

We choose to end this main chapter of our paper with a section on “miscellaneous” aspects (three; they could have been much more) that, for space reasons, will be treated more cursorily: fiscal fraud, incidence of legislation and taxation, and education. In our opinion any contemporary debates of this issues could only benefit by the inputs someone like Neuman has to offer.

Concerning *fiscal fraud*, Neuman expresses a both classical liberal and – at least by present day standards – politically incorrect view. He says somewhere:

Fiscal need is not sufficient as a motive for trespassing the boundaries of justice. The tax is immoral when it is excessive or when it is collected by wrong means and in these cases it promotes fraud. The size of the tax is in itself immoral and has bad consequences. It is a long observed fact/thing. The excess of taxation has as consequences the denial of justice, the loss

of liberty, the weakening of morals...The State is outside its own purpose if it uses taxes as a means to modify existent inequalities... [Fiscal] fraud is not so much due to taxpayer immorality as to governmental immorality (pp. 145-146).

At times he shows mastery of difficult discussions in both law and economics as when he discusses (and compares) the issue *of the incidence of taxation and legislation* (p. 31):

The law limits the State both through its technical rules and its own ideals. The technical difficulty to translate its intention in juridical forms, of succeeding through the elaborated text in reaching precisely those targets aimed at is analogous to the financial problem of the incidence of taxation. A tax laid on a certain category of persons is thrown by the free interplay of economic laws and forces upon a category completely different from the one intended by the fiscal authority. In the same manner, a piece of legislation can generally be avoided in such ways that results are reached totally contrary to those desired by the legislator. And a whole judicial system can have surprising effects, by contrast with what were considered first instance effects. We have to deal with an incidence of laws, with a judicial incidence (p. 31).

In the area of *education*, the opinions of Neuman are no less challenging and interesting than in the many others, previously discussed (or as many others undiscussed here). Thus he says, while discussing what he calls the cultural limits of the state, the following:

[t]he main problem of the State as limited by civilization is that of education. There are here grounds for hesitation with respect to direction, quantity or opportunity. The State does not do even in this sphere liberalities without hidden purposes. It seeks to control not only the use of its own money, but also the use of other people's money. And it does not stop at the policing type of control concerning material order and decent behavior. Even though only a temporal instrument meant to protect the freedom of conscience and learning, it tends many times to acquire church like character and to impose some sort of spiritual orthodoxy. If, after all, it could keep a certain wise neutrality the monopolization of education by the state would lose half of its disadvantages. There is also the question of moderation. As in many other respects, the public services exaggerate here too. Obsessed with quantity, they neglect the essence and err in proportions that could not happen under a private regime. Public education tends to become an

arrogant state religion: <<it suffers no dissidence/opposition, and it is the meeting place of all fanatics>> [quoting Paul Leroy-Beaulieu] (pp.173-174).

He then draws attention to the fact that intellectuals such as Nicolae Iorga or G. Dissescu have argued (in Romania) against the organization of education under a state monopoly.³¹

4. The Judaism Essays and Other Works

Emanuel Neuman expressed classical liberal ideas in other works as well, even though so far his thesis remains the most comprehensive and important example. Somewhat surprising – although it is not the substance of the works – is the explicit option for liberalism that can be found at the end of the *Illusions and Realities Jewish*. The main idea is that if Jews become liberals in the classical sense and if they plead for the states in which they live to become liberal (in the same sense), all their problems (which are mostly intertwined with statism, and are symptoms thereof) tend to disappear:

The Jews of today are the offspring of the liberal era. Far from being a sign of better times, the socialization movement, with its state capitalism, concentration, cooperation and monopoly turns, sooner or later, against them. This is, cleansed of the obscurities of German style, the meaning and message of the great demographer and economist Ruppin who underestimates himself as being sociologist. He puts economic freedom/liberty at the foundation of any society in which life as a Jew is possible. “Anti-Semitism apart, all these economic tendencies which in the end prove harmful for Jews can be in a way reduced to a common denominator: the abandonment of free competition...When the central state itself does not monopolize the various branches of production, municipalities or big business trusts or cooperatives do. Personal ingeniousness and action cannot fight anymore against big banks or official stores. There is no room in commerce and industry for the Jew when degenerate capitalism morphs into state capitalism, and its situation resembles more and more the one at the end of the Middle Ages when the guild system, under official auspices, restrained – to his detriment – the field of free competition. The birth of capitalism ameliorated the situation of the Jews; its demise threatens them anew (Arthur Ruppin, *Les Juifs dans le monde moderne*, p. 125)”. The meaning of this beautiful fragment, of these essential lines is not that Jews are somehow predestined capitalists; it is not about a few millionaires who

succeed in maintaining their wealth under any regime. Liberal capitalism is important because it permits men of modest condition to earn a living facing only the natural difficulties of economic life and not absurd and unjust artificial barriers. The controlled economy, by being politically managed, easily transforms itself into a system of anti-Semitic persecution (Steinhardt and Neuman, 2011, pp. 318-319).

Apart from the PhD thesis and the two booklets on Jewish matters co-authored with Steinhardt, the works of Neuman are few in number and extent (an tentative bibliography is provided in Appendix I). A few letters to Steinhardt, a study on the Yugoslav constitution of 1963, some technical material elaborated under the auspices of the International Institute of Administrative Sciences in Brussels and a number of book reviews in *Etudes internationales*. In all these he has limited space and opportunity to bring to surface his political philosophy, but one can guess here and there that the old *causeur* has not disappeared. For instance, all his book reviews mentioned above point into the direction of the perils and vagaries of high politics.³²

5. The (Late) French Liberal School Connection

One last thing about Neuman we think is worth mentioning here. Although well imbibed in the great French classical liberals such as Constant, Guizot, Tocqueville, Laboulaye, Bastiat, etc., he is closer in spirit to the late French Liberals, such as Yves Guyot, Paul Leroy-Beaulieu and Charles Beudant. In his monumental work, *History of Economic Analysis*, Joseph Schumpeter has the following to say about this “Paris group” of economists:

[...] [W]e consider first the laissez-faire ultras who are known as the Paris group because they controlled the *Journal des économistes*, the new dictionary, the central professional organization in Paris, the Collège de France, and other institutions as well as most of the publicity – so much so that their political or scientific opponents began to suffer from a persecution complex. It is extremely difficult, even at this distance of time, to do justice to this group that was also a school in our sense. I shall mention only a few names that will guide any interested reader to its work and, instead of characterizing individuals, attempt to characterize, in a few lines, the group as a whole. The most distinguished names, then, were

Paul Leroy-Beaulieu, Courcelle-Seneuil [...], Levasseur, the indefatigable Gustave de Molinari, Yves Guyot, Maurice Block, and Leon Say. They were anti-*étatistes* that is to say they indulged in a belief to the effect that the main business of economists is to refute socialist doctrines and to combat the atrocious fallacies implied in all plans of social reform and of state interference of any kind. In particular, they stood staunchly by the drooping flag of unconditional free trade and laissez-faire. This accounts easily for their unpopularity with socialists, radicals, Catholic reformers, solidarists, and so on, though it should not count for us. They simply did not care for the purely scientific aspects of our subject. J.B. Say and Bastiat, and later on a little diluted marginal utility theory, satisfied their scientific appetite. [...] The politicians can hardly have liked a group that stood for free trade and otherwise indulged in an impracticable liberalism. So, when the government proceeded to establish chairs in economics in all the law faculties of all the universities of France (1878), it saw to it that the new professors should not all of them be of the political complexion of the Paris group. [...] [T]he little knot of laissez-faire stalwarts, not less remarkable for longevity than for strength of conviction, held out like Leonidas' Spartans at Thermopylae (Schumpeter 2006[1954], pp. 808-810).

Leaving aside here Schumpeter's half admiring, half dismissive comments, it is striking how well imbibed Neuman is in the works and ideas of some of those mentioned as part of this Paris Group (Paul Leroy-Beaulieu stands out as a source of inspiration from those mentioned by Schumpeter). Joseph Salerno also considers³³ - taking issue to some extent with Schumpeter's judgments - that there existed a powerful French Liberal school starting around 1803, with J.B. Say's *Traité d'économie politique* and lasting until around the death of Gustave de Molinari in 1912 (arguably even later, through authors such as Guyot or Beudant).

We should also bear in mind that Steinhardt's thesis on the new trends in constitutional law as exemplified by the work of Léon Duguit is marked by relevant references to authors from this group. Some of them are mentioned even in *The Journal of Happiness* (again Paul Leroy-Beaulieu and Yves Guyot come to mind). Thus we can at least speculate that, having learned law in close connection with the French milieu - again, we should bear in mind that one guest member of Steihardt's PhD committee was Julien Bonecasse, French jurist of the interwar period who had a very high regard for the young candidate - Steinhardt and Neuman (and possibly others - a thing for future research to investigate) were imbibed with whatever remained of this spirit of the French liberal school.

They – the French classical liberals – are today almost as forgotten as Neuman, but equally interesting and relevant. Works such as *Where and Why Public Ownership Has Failed* (Guyot, 1914), *Essai sur la repartition des richesses et tendance a une moindre inegalite des conditions* (Leroy-Beaulieu, 1881) or *Le droit individuel et l'etat: introduction a l'etude du droit* (Beudant, 1891) are examples of works that can be (re)read today with the utmost intellectual and civilizational profit, especially in Romania.

6. Conclusion: A Tradition, Lost and Found

We have tried to argue in this paper that there were elements of classical liberalism on the Romanian soil. Our main argument was the PhD thesis of Emanuel Neuman, “Manole” from the *Journal of Happiness*, dear friend and mentor of the young Steinhardt at the beginning of his legal studies in constitutional law. The thesis, entitled *The Limits of State Power* is an unambiguous case of a classical liberal text. Exposing a firmly grounded view of a (severely) limited state, it becomes a promontory – in our opinion – for unearthing and rediscovering whatever other elements of classical liberalism might have existed on Romanian soil prior to the unfortunate communist experiment. Neuman was not alone. Steinhardt’s PhD thesis on *The New Tendencies in Constitutional Law. A Critique of the Work of Léon Duguit* can arguably be included in the same ideological camp, even though it is not as explicit.

Classical liberalism had timid beginnings in the space inhabited by Romanians.³⁴ Intermingled with nationalistic ideas in the context of the 1848 revolution, promoted mostly by immigrants or offspring thereof (such as Ion Ghica or Nicolae Șuțu/Soutzou; the odd man out here would be Ioan Strat), members of a rather international intelligentsia than of a genuine Romanian one (yet to mature), classical liberal ideas seem to have sunk into oblivion after 1859. And this, one could sadly observe, somewhat in proportion to the successes along the lines of obtaining state independence and sovereignty. Thus, modern Romania knew no powerful classical liberal party, or doctrine, let alone political program. On the contrary, it has experimented fully with the opposite side of the spectrum, ranging from state-capitalism, to interventionism and protectionism, through corporatism or fascism all the way to full blown soviet style socialism. As we have said above, one of the important contributions of the classical liberal paradigm to civilization was to offer key insights into

the nature of the state. This contribution remains, we think crucial. To discover elements of genuine classical liberalism – no matter how small, unknown or tentative – in Romania can only be a useful thing as, in our opinion, the challenges of the present are still connected at every step with a proper understanding of what the state is and can, or cannot, do. In this context re-discovering, re-reading and re-connecting with Neuman (and the context he was a part of) can only help, besides being an act of culture valid in itself.

NOTES

- ¹ This project would have been much poorer without the help of the staff of the International Institute for Administrative Sciences in Brussels which hosted and helped me in many ways while in Brussels, in February 2015.
- ² See, for instance, Andrew C. Janos, "Modernization and Decay in Historical Perspective: The Case of Romania", in Kenneth Jowitt (ed.), *Social Change in Romania 1860-1940. A Debate on Development in a European Nation*, Institute of International Studies, University of California Berkeley, 1978, p. 84.; also Victor Rizescu, *Tranziții discursive. Despre agende culturale, istorie intelectuală și onorabilitate ideologică după comunism*, Editura Corint, Bucharest, 2012, pp. 74 and the following. The latter author seems, nevertheless, to consider that various Marxist social critics – such as Lothar Rădăceanu and Șerban Voinea who wrote in the tradition of Constantin Dobrogeanu Gherea – make up, at least in part, for the lack of classical liberal ideas. In their view a genuine capitalist system must be implemented on the Romanian soil as a necessary precondition for a future authentic transition to socialism.
- ³ One of the shortest and to the point rendition of the essence of classical liberalism is, in our opinion, the one expressed by Ludwig von Mises in his *Liberalism. In the Classical Tradition*, where he says, on page 19: "The program of liberalism, therefore, if condensed into a single word, would have to read: *property*, that is, private ownership of the means of production (for in regard to commodities ready for consumption, private ownership is a matter of course and is not disputed even by the socialists and communists). All the other demands of liberalism result from this fundamental demand" (Ludwig von Mises, *Liberalism. In the Classical Tradition*, The Foundation for Economic Education & Cobden Press, 1985[1927], p. 19).
- ⁴ See Zigu Ornea, *Anii treizeci și extrema dreapta românească*, Editura Fundației Culturale Române, Bucharest, 1995.
- ⁵ The following biographical details are based on the study of two main Neuman files (and a few related ones): file no. 2801697 compiled by the *Administration de la Surete publique* upon/around his arrival (September, 1960) in Brussels, Belgium, as an immigrant and, very soon after, UN political refugee; and file no. 29233N prepared for his naturalization as a Belgian citizen, process completed in 1966. The present author must express his gratitude to Mr. Louis-Philippe Arnhem from *Direction generale Office des Etrangers* and Mr. Filip Strubbe from the *Archive generales du Royaume* without the support of which the present research would have been much poorer in biographical detail.
- ⁶ The historian Lucian Boia, in one of his recent books speaks of a certain pattern of the emigration of Jews out of Romanian after 1948 (the date of the creation of the state of Israel). Thus, from 1948 until 1951 over 120

000 Jews left Romania (more than a quarter of the Jewish population in Romania). This was followed by a period of closed borders from about 1953 until 1958 when a new wave of emigration began (see Lucian Boia, *Cum s-a românizat România/How Romania was Romanized*, Humanitas, Bucharest, 2015, p. 113). Most probably in connection with this second wave starting in 1958 the Neumans tried (again, probably), and succeeded (in 1960) to leave Romania.

7 As suggested by Ms. Marie-Anne Estas, former colleague at the International Institute for Administrative Sciences and friend. The present author had the chance to interview Ms. Estas in February 2015 and would like hereby to express his deep gratitude to her. We also had the chance to interview Mrs. Gail Darge, also former colleague of Neuman. We were helped in connecting them by Hafida El Ouaghli. The latter was also instrumental in accessing the remains of the IISA archives available at the headquarters in Brussels. The author is highly indebted to all these ladies.

8 Information from file no. 2905762 (p. 9) of Sofia Neuman Moscovici, Emanuel's mother, whom he helped to settle in Brussels.

9 We are highly indebted to the International Institute for Administrative Sciences in Brussels as it offered full cooperation in unearthing as much as possible about Neuman. We would like to thank the President, Rolet Loretan, for approving our research stage with the institute, Ms. Hafida El Ouaghli for constant and precious help with publications, archives, connections and Institute customs and practices and, last but certainly not least, to Dr. Steve Troupin whose help was instrumental for this project from the very beginning.

10 According to Ms. Marie-Anne Estas.

11 See Dorothy Sayers, *The Lost Tools of Learning*, available on line at <http://www.gbt.org/text/sayers.html>.

12 The author must mention here – and express gratitude at the same time – the observation by prof. Ioana Both, from the Department of Romanian Literature and Literary Theory at the Babes-Bolyai University in Cluj-Napoca, former NEC fellow, who commented that the *trivium* like structure might have been a standard requirement in the Romanian universities in the interwar period, especially in the humanities and social sciences. This, in our opinion is testimony of the good foundations that higher education had at that time. By contrast, at present, these fields are more and more invaded by the positivistic – scientist even – view according to which works (articles, theses, etc.) must follow the (broadly synthetized) *hypotheses-literature review-methodology-model-results and results interpretation* outline. The latter, although fit for the so-called “hard” sciences such as physics, chemistry, astronomy, engineering, medicine (with limitations – usually underestimated – even here), etc., is, in our opinion inappropriate for the “sciences of man” (beginning with economics, law and political philosophy and ending with literature and philology in general).

- ¹³ Throughout the remainder of this chapter we will indicate only the page number or numbers, as – if not otherwise specified – the quotes are from Neuman’s 1937 thesis.
- ¹⁴ See Robert Higgs, *Crisis and Leviathan. Critical Episodes in the Growth of American Government*, Pacific Research Institute for Public Policy, Oxford University Press, New York and Oxford, 1987, especially chapter 2 (for the American case). See also Mihai Ungureanu and Diana Iancu, “The economic analysis of bureaucracy and government growth”, *Theoretical and Applied Economics*, Vol. XIX, no. 11 (576), 2012, pp. 59-74. At one point Neuman tackles this issue explicitly: “Spencer’s forecasts have come true as such. The proportion of taxes is today between 30% and 40% of individual income in all States. This means that each works for the collectivity between 100 and 150 days per year and only the rest belongs to himself. A form of serfdom in which the serf is obligated to 100 or 150 days of unpaid work is one of the worst kind; only the monetary and industrial economy of our times makes this possible, as in agriculture it would be considered purely and simply slavery” (Neuman, 1937, p. 105).
- ¹⁵ At this point Neuman quotes a certain Alexandru Valeș, author of an article entitled *The Limits of State Power* (in *The Burgeois Magazine*, 1937, no. 7, p. 11) as saying: “They (the limits [of state power]) spring from a natural order of things and are meant precisely to consolidate what is the essence of sovereignty. Limits which, in any case, have prevented the *night watchman State* from ridiculously becoming the *sportive State*” (emphasis in the original). This Alexandru Valeș is another possible member of the group of classical liberal minded people mentioned above.
- ¹⁶ Neuman’s approach is strikingly similar here and there with modern libertarian approaches such as the one of Murray Rothbard. See for instance the latter’s *The Ethics of Liberty*, New York University Press, New York and London, 1988[1982], especially the first part on natural law.
- ¹⁷ See in this context the methodological works of Ludwig von Mises: *Epistemological Problems of Economics*, The Ludwig von Mises Institute, Auburn, Alabama, 2003[1933]; *Theory and History. An Interpretation of Social and Economic Evolution*, The Ludwig von Mises Institute, Auburn, Alabama, 2007[1957]; *The Ultimate Foundations of Economic Science. An Essay on Method*, D. Van Nostrand Company, Inc., Princeton, New Jersey (and Toronto, New York, London), 1962; and last but not least, his magnum opus, *Human Action. A Treatise on Economics*, The Scholar’s Edition, The Ludwig von Mises Institute, Auburn, Alabama, 1998[1949].
- ¹⁸ We draw attention here to this seldom expressed idea that civil equality does not imply positive rights. This is, in our opinion, part and parcel of the sole possible understanding of equality with no associated dangers to evolve into a procrustean view of general uniformity. In this sense, equality and liberty are in harmony, not mutually exclusive parts of an ever challenging

trade-off. Later Neuman also says: “what is essential for the polity is political equality. All the other equalities, possible or impossible, are outside of the [proper] notion of state” (Neuman, 1937, p. 127).

19 Thus, A’s right to a minimum guaranteed wage or income necessarily implies a denial (at least partial) of the rights of B, C, D, etc. to their legitimately acquired property. So, strictly speaking, a simultaneous and universal upholding of both rights is impossible.

20 For this particular discussion see N. Stephan Kinsella, *Against Intellectual Property*, The Ludwig von Mises Institute, Auburn, Alabama, 2008.

21 Many other instances where Neuman, without explicitly proclaiming himself a supporter of the minimal state, speaks as if he were one: “If public servants get busy in industry, trade and their own strikes, who will take care of order, protection, justice? Here is the revenge of forgotten realities” (Neuman, 1937, p. 143).

22 The separation between the state activity and economic activity resurfaces many times throughout the book and it seems that for Neuman it is an unquestionable character of a proper state to be strictly non-interventionist economically: “The first element which shows us whether we are dealing with a polity that has the character of a state or not is the separation between the economy and politics” (Neuman, 1937, p. 123). In another place: “[o]n the contrary, nothing pertains to the state in economic life. A state to have succeeded in this is nowhere to be found. And nothing suggests that some state could here succeed” (Neuman, 1937, p. 20).

23 Neuman does not explicitly tackle political anarchists such as Gustave de Molinari (1819-1912) (who wrote on the private production of security; see his *The Production of Security*, The Ludwig von Mises Institute, Auburn, Alabama, 2009 [1849]) or Lysander Spooner (1808-1887) (see *No Treason. The Constitution of No Authority*, 1867, available on-line at <http://www.freedomforallseasons.org/TaxFreedomEmail/LysanderSpoonerNoTreason.pdf>), authors who raise important questions regarding the very idea of the state, especially as represented by a territorial monopoly over the use of force. Neuman’s explicit targets are here authors such as Jules Simon (1814-1896) or Emile Vandervelde (1866-1938).

24 Thus, we can see Neuman speak against the so-called freedom of association implied by the existence of labor unions. Their birth and development meant, to an important extent, a weakening of the state through the fact that previously unacceptable (considered illegal and aggressive) behavior – violent restraint on businesses, forced collective bargaining, forced exclusion of non-unionized workers and the like – has been gradually tolerated and, finally, even sanctioned by positive legislation. For Neuman this was equivalent with an unfortunate partial resignation by the state from some important function, and therefore a weakening of it. Interestingly enough – fact which also makes Neuman an interesting author not only in Romania,

but worldwide – when he speaks of “the freedom of association” as a spurious freedom, one might expect him to go against the modern corporation which many criticize as a fake extension of the classical idea of (private) property. Nevertheless, his only and immediate target here are the labor-unions, especially those of the public sector. On the other hand, behind the idea of a weak state – one that fails to meet the demands of the hour – one can guess Neuman’s discontent with the bothersome leniency with which the government and the courts of law treated violent manifestations of the right wing in general (an those of the Iron Guard in particular) throughout the interwar period (see, for instance, Armin Heinen, *Legiunea <<Arhanghelului Mihail>>/The Legion of Archangel Michael*, Humanitas, Bucharest, 2006. This is the second way in which the state can fail its mission, in addition to the first (involvement outside its proper sphere).

25 One well known example is Mihail Manoilescu with his *Secolul corporatismului. Teoria corporatismului integral și pur/The Century of Corporatism. The Theory of Integral and Pure Corporatism*, Ed. Naționala-Ciornei, 1934 (which had a first edition in French).

26 It should be added here that from an economic point of view, the purpose of economic activity is consumption (seen at large, of everything one might imagine, not only strictly of material goods; in this light, going to a symphonic concert is – from an economic point of view – an act of consumption, apart from the fact that it might also be qualified as an act of culture or otherwise). Only because consumption is severely limited in the absence of production does production acquire importance. But production as such is not in itself important. Thus, a polity which follows the general interest of the population seen from the point of view of consumption is also economically well structured, or natural.

27 We could add here that a supplementary insight of the modern version of classical liberalism – namely libertarianism – is that the state has as specific difference not the use of force as such, but the *initiation* of the use of force or violence. In Murray Rothbard’s terms, a distinction must be made between the use of force which can be both offensive and defensive, and aggression which he reserves as a term and concept solely for the acts of initiating force or violence against someone else. Thus, the specific difference of the state as an instrument is that it can initiate violence toward others in order to fulfill its objectives. The entire work of Murray Rothbard is an attempt to hammer this distinction and trace out economic and political implications.

28 One can only think of the modern phenomenon of tabloid newspapers or television reality shows which have a tendency of becoming more and more base, simple minded (in the worse sense) and rudimentary. These phenomena, as symptoms of decay, could be considered as “barbarism inside the gates”. Of course, Neuman’s idea is not that such phenomena should be curtailed by the iron-hand of the state. The point is that a civilized

society must at the same time keep the state and church separated (and the state small) and take religious matters seriously (outside the sphere of the state). These are both equally valid fronts of civilized man. A practical illustration of Neuman's options in this respect is reported at various places in *The Journal of Happiness* by Nicolae Steinhardt who mentions their (his and Neuman's) attempts to get closer to the traditionalist Jewish in Bucharest (Neuman being the instigator, if we may say so). And even though, in time Neuman grew bitter on this front, his friend, Steinhardt, provides a vivid illustration of the importance of this relation between religion and liberty, or religion and civilization. We have in Nicolae Steinhardt an un-repentant classical liberal who became an Eastern Orthodox monk, being a genuine "enemy of the (communist) state" throughout the entire last part of his life.

29 We could probably include here the phenomenon of "hooligans" who take as their identity that fact of being supporters of a certain football team. Interestingly enough, apart from the fact that such phenomena flourish on the grave of the influence of traditional religions, particularly Christianity, there is an institutional aspect to it. The football teams act in a sector – the football federation – which is not quite a free-market, but organized along corporatist or mercantilist (not to say fascist) lines with important monopoly privileges, dedicated regulation and subsidies. Thus, the modern state subsidizes "the circus" which in turns subsidizes the supporters' groups (whose trips to matches, and tickets and fan-club activities are very often paid by the clubs themselves).

30 It is striking at times that modern environmentalism has significant traits of a secular religion. Likewise, the entire idea of a "New Age" spirituality sound remarkably close to a confirmation of Leroy-Beaulieu and Neuman's predictions.

31 Neuman suggestively observes, at the end of this discussion (p. 175) that "the involvement of the State where he has no business being involved renders those fields barren".

32 In the one a little bit longer material of certain Neuman paternity that we could find in Brussels, in the IIAS archives, there is a text written as secretary of the Working Group on Integrated Budgetary Systems. It is a somewhat neutral text, a review of the activities of the said group. The ideological or doctrinaire color of the text is almost absent.

33 See his Salerno, Joseph T., *Comment on the French Liberal School*, Journal of Libertarian Studies, Vol. 2, No. 1, pp. 65-68, 1978. And also Salerno, Joseph T., *The Neglect of the French Liberal School in Anglo-American Economics: A Critique of Received Explanations*, The Review of Austrian Economics, no. 2, 1988, pp. 113-156.

34 See, for instance Eugen Demetrescu, *Influența școlii economice liberale în România în veacul al XIX-lea/The Influence of The School of Economic Liberalism in Romania in the XIXth Century*, Editura Domino®, 2007.

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*** Files no. 2801697, 2905762, 2840165, 2851952 in the archives of the Belgian Department of Justice, Administration of Public Security

*** File no. 29233N, the naturalization file of Emanuel Neuman, Royal Archives, Brussels

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Appendix II: A Few Photos



(Neuman in Caracas, Venezuela, 14.09.1972, attending one of the International Institute for Administrative Sciences events;
photo from the institute archive)



(Neuman – the above row, first on the left – with a group of colleagues from the International Institute for Administrative Sciences;
year unknown; photo provided by Ms. Marie-Anne Estas)



(Neuman, around 1960; photo from his immigrant file no. 2801697) ;
Copyright: Office des Etrangers, Bruxelles, Belgique



(Neuman, around 1960; photo from his immigrant file no. 2801697) ;
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